

# BENEFICIAL OWNERSHIP

## OVERVIEW & REPORTING GUIDANCE



In May 2016, the U.S. government passed a new regulation regarding the beneficial ownership of legal entity customers. Going forward, it will be mandatory for all financial institutions to comply with this regulation by identifying the ultimate beneficial owner(s) and a controlling person of a legal entity customer opening or maintaining an account.

In compliance with this new regulation, Woodlands Bank will collect beneficial ownership information from legal entity customers starting on May 11, 2018. This means that any time an account is opened or maintained for a legal entity, we will request information that identifies the ultimate beneficial owner(s) and controlling person of the legal entity. The required identifying information includes name, address, date of birth, identification number, and other information that will help identify those individuals. This infor-

mation will need to be collected whether or not the person identified is a Woodlands Bank customer.

While we understand the information requested is personal and sensitive, we need to obtain this information in order to comply with the law. As always, we will treat all information collected with the utmost care. All information will be stored securely and handled with the same standard of privacy that we have always maintained.

Beginning January 1, 2024, FinCEN has new Beneficial Ownership reporting requirements. Certain types of U.S. and foreign entities are now required to report information about their beneficial owners to the Treasury Department's Financial Crimes Enforcement Network (FinCEN)

### WHAT YOU NEED TO KNOW ABOUT BENEFICIAL OWNERSHIP

- The new regulation impacts all legal entities opening or maintaining accounts at any financial institution.
- Legal entities will need to identify and attest to all ultimate beneficial owner(s) that meet specific requirements as well as a controlling person (e.g., Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President or Treasurer).
- Woodlands Bank will collect information regarding the ultimate beneficial owner(s) and control person of legal entities whether or not they have a personal relationship with the bank. We appreciate your business and are committed to providing you with extraordinary service for years to come.
- The beneficial ownership regulation is a federal law requiring all financial institutions to identify and verify the identity of the beneficial owners of legal entity

customers as well as a controlling person of the legal entity anytime an account is opened or maintained. The regulation is aimed at making financial institutions safer for their customers and protecting the country's financial system.

#### REQUIRED ACTIONS

- Starting January 2024, applicable businesses will need to report information about their beneficial owners to the Treasury Department's Financial Crimes Enforcement Network (FinCEN).
- Businesses created or registered to do business before January 1, 2024, will have until January 1, 2025 to file its initial beneficial ownership information report with FinCEN.
- Businesses that are created in 2024, will have 90 days to file its initial beneficial ownership information report with FinCEN.

### WHERE DO I GET MORE INFORMATION AND HOW DO I FILE MY INITIAL BENEFICIAL OWNERSHIP REPORT WITH FINCEN?

- For more information about Beneficial Ownership and to file your required initial reporting, please visit: <https://www.fincen.gov/boi>
- View frequently asked questions about Beneficial Ownership please visit: <https://www.fincen.gov/boi-faqs>